

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUST-)
MENT OF TATEVILLE) CASE NO. 7650-1
WATER ASSOCIATION)

O R D E R

On February 9, 1983, Tateville Water Association ("Tateville") filed its application with the Public Service Commission ("Commission") seeking authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. The application contained deficiencies which were requested to be corrected. These deficiencies have now been corrected and the record is complete.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) Tateville's supplier, Burnside Municipal Waterworks, changed its rate design for wholesale customers from a flat rate to a declining block design and increased its rates by approximately 36 percent, effective with the April 1, 1983, billing.

(2) The statements of water purchased and sold by Tateville for the 12-month period ending October 31, 1982, show that its line loss is approximately 13.5 percent. The line loss is less than the 15 percent maximum allowed by the Commission; therefore, no adjustment for line loss is necessary.

(3) The calculations made by Tateville are correct showing a total allowable increase in purchased water costs of \$4,477 which results in a purchased water adjustment of \$.50 per 1,000 gallons.

(4) The financial exhibits filed by Tateville indicate that it cannot absorb an increase of this magnitude in the whole-sale cost of water.

(5) The rates proposed by Tateville are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment in the amount of \$.50 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Tateville, the base rate for purchased water shall be:

| <u>Supplier</u> | <u>Usage Blocks</u> | <u>Rates</u> |
|----------------------------------|---------------------|---------------------|
| Burnside Municipal Waterworks | First 1,000 gal. | \$4.60 minimum |
| | Next 1,000 gal. | 3.45 per 1,000 gal. |
| | Next 3,000 gal. | 2.24 per 1,000 gal. |
| | Next 10,000 gal. | 2.13 per 1,000 gal. |
| | Next 15,000 gal. | 2.07 per 1,000 gal. |
| | Next 20,000 gal. | 2.01 per 1,000 gal. |
| | Next 50,000 gal. | 1.73 per 1,000 gal. |
| | Over 100,000 gal. | 1.58 per 1,000 gal. |

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Tateville shall file with the Commission its

revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of March, 1933.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 7650-1 DATED MARCH 14, 1983

The following rates are prescribed for the customers of Tateville Water Association. All other rates and charges not mentioned specifically herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

| <u>Gallonge Block</u> | <u>Rate</u> |
|-----------------------|------------------------|
| <u>5/8" Meter:</u> | |
| First 1,000 gallons | \$7.60 Minimum Bill |
| Next 4,000 gallons | 3.70 per 1,000 gallons |
| Over 5,000 gallons | 2.75 per 1,000 gallons |
| <u>3/4" Meter:</u> | |
| First 5,000 gallons | \$22.40 Minimum Bill |
| Over 5,000 gallons | 2.75 per 1,000 gallons |
| <u>1" Meter:</u> | |
| First 10,000 gallons | \$36.15 Minimum Bill |
| Over 10,000 gallons | 2.75 per 1,000 gallons |
| <u>1-1/2" Meter:</u> | |
| First 15,000 gallons | \$49.90 Minimum Bill |
| Over 15,000 gallons | 2.75 per 1,000 gallons |
| <u>2" Meter:</u> | |
| First 20,000 gallons | \$63.65 Minimum Bill |
| Over 20,000 gallons | 2.75 Per 1,000 gallons |